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## GOVERNOR'S VETO MESSAGE

April 22, 2021

To the Honorable Members of the Assembly:

I am vetoing Assembly Bill 232 in its entirety.

This bill directs the Department of Revenue to coordinate with counties and municipalities to provide payments from the state's allocation of the American Rescue Plan Act of 2021 (ARPA) to property taxpayers equal to approximately 10 percent of the amount of the net property taxes levied on each taxpayer's real property in 2020. The bill requires the Governor to allocate \$1,067,824,380 from the state allocation of the American Rescue Plan Act for these payments and an additional \$20,000,000 for administrative costs incurred by the Department of Revenue and local governments.

While I am interested in opportunities to provide meaningful property tax relief to Wisconsinites across our state, I am vetoing this bill for several reasons.

First, I object because the use of ARPA funds for the type of property tax relief proposed in this bill is almost certainly prohibited under the language of Section 9901 of ARPA, which specifies that federal funds allocated to a state under ARPA cannot be used to directly or indirectly offset any tax. This bill effectively creates a tax rebate, which is expressly prohibited under Section 9901. While the federal government has not issued final guidance regarding the prohibition of such tax relief payments, the plain language of ARPA prohibits the payments outlined in AB 232. If this bill is enacted and the funds spent as directed, the state may be required to repay over \$1 billion to the federal government.

Second, I object to the bill because it is poorly targeted. This bill disburses federal APRA funds as a 10 percent tax rebate to all property owners. It makes no payments to renters and makes no effort to link payments to impacts of the pandemic.

Third, I object to the bill because it limits the ability to use federal funds with the flexibility necessary to confront the variety of challenges posed by recovery from the COVID-19 global pandemic and respond to Wisconsin's changing needs over the course of the pandemic and our recovery. In Wisconsin, the role of the Governor to oversee use of federal funds under Section 16.54 of the Wisconsin Statutes is clearly established and has been in place for decades, a fact that was confirmed by legislative leadership in a letter they sent to me in April 2020.

In lieu of this bill, I will continue to utilize the authority provided to the Governor to oversee use of federal funds in a manner that is transparent and consistent with both Wisconsin's needs and federal law. Using this authority, I have already announced my plans to invest the new federal funds under ARPA to various economic recovery and well-being, infrastructure, and pandemic response initiatives.

Respectfully submitted,  
*TONY EVERS*  
Governor